

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-176-C – ORDER NO. 2004-492
OCTOBER 13, 2004

IN RE: Application of MetaNet Internet Solutions, Inc. for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services within the State of South Carolina.)	ORDER GRANTING APPLICATION
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This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of MetaNet Internet Solutions, Inc. (“MetaNet” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide telecommunications services between and among locations within the State of South Carolina as a reseller and facilities-based provider of local exchange telecommunications services. The Company’s Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2003) and the Rules and Regulations of the Commission.

MetaNet requested in its Application that it be exempt from any record-keeping rules or regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts (“USOA”) and requests that it alternatively be permitted to maintain its books of accounts in accordance with Generally Accepted Accounting Principles (“GAAP”). MetaNet also requested that it be granted a waiver of the requirements that the Company publish and distribute a directory under 26 S.C. Code Ann. Regs. 103-631.

By letter, the Commission's Executive Director instructed MetaNet to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceeding. MetaNet complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on July 27, 2004.

On August 26, 2004, counsel for SCTC filed with the Commission an executed Stipulation. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on September 23, 2004, at 10:30 p.m. in the Commission's Hearing Room. The Honorable Randy Mitchell, Chairman, presided. John J. Pringle, Jr., Esquire, represented the Company. Jocelyn Boyd, Staff Counsel, represented the Commission Staff. Damon W. Yates, Director of Corporate Development, appeared and testified in support of the Application.

According to the record, the Company is a South Carolina corporation incorporated on February 28, 2000, and has continued since that date in good standing.

According to Mr. Yates, MetaNet will provide local exchange services, including high-speed data services, on a resold and facilities basis. Facilities-based service will be made available via the incumbent telephone company's unbundled network element

platform (“UNE-P”) and through the purchase of individual unbundled network elements (“UNEs”).

Mr. Yates opined that MetaNet possesses the technical, managerial, and financial resources to provide telecommunications services in the State of South Carolina. MetaNet utilizes core dedicated telephony staff as well as other corporate resources for the deployment and management of its telephone operations. This staff is competent in all areas of telephone management including finance, operations, engineering, network, and sales. Mr. Yates said that MetaNet has established a strong team to support its venture into the telecommunications market.

With regard to the Company’s managerial ability, he stated the Company has the managerial ability and experience in the telecommunications industry that will allow it to be a successful competitive local exchange provider in South Carolina. The record reveals that Jacob Guy Yates is the President, and Nancy Yates is the Vice President of MetaNet. Mr. Jacob Yates has over 20 years experience in computer technology and computer networking. Nancy Yates has worked in the computer industry for over 20 years. Mr. Damon Yates is the VP of Technology of MetaNet. He has been utilized as an independent consultant and employee of the Company since inception. Mr. Yates stated that his formal and informal training in computer operating systems and applications make him invaluable as a liaison between the Company and its clients. In addition to computer software, he installs and troubleshoots client computer networks and hardware problems.

With regard to the Company's financial ability to operate as a telecommunications carrier, Mr. Yates stated that MetaNet has sufficient financial capability to provide the requested telecommunications services in South Carolina and has the financial capability to maintain these services.

With respect to the customer service to be offered by the Company, the record reveals that MetaNet will offer comprehensive customer service on its toll-free telephone number 1 (866) 881-9506. Mr. Yates said that this or a comparable number will appear on the customers' invoices, and customers may contact this number for information concerning their bills. Customer service agents will be available from 9:00 am – 5:00 pm EST. In the future, MetaNet may contract a call center to handle technical support twenty-four hours per day, seven days a week. Mr. Yates further stated that the Company will directly bill its customers for local exchange service.

Mr. Yates asserted that the Company will operate in compliance with all applicable statutes, regulations, and Commission orders. Further, Mr. Yates assured the Commission that the Company's services will meet applicable service standards and that the Company will support universally available telephone service at affordable prices. Further, Mr. Yates offered that approval of the Application serves the public interest, improving the overall quality and variety of services available in South Carolina by providing business and residential customers competitive rates and capable, responsive customer service. By offering customers greater variety and choice among local exchange carriers, Mr. Yates testified that MetaNet's presence in the South Carolina market will increase competition in the telecommunications and data communications

services market and motivate other companies to provide innovative services, improve the quality of their networks, and lower prices.

According to the testimony, the Company has not marketed its services in South Carolina prior to receiving certification, and the Company has not received revenues from the completion of intrastate calls in South Carolina prior to receiving certification. Mr. Yates stated that the Company will abide by all the Commission's rules, regulations and orders upon the Company receiving certification to provide local exchange telecommunications services in South Carolina. Mr. Yates further committed his Company to file the Commission's required financial reports in a timely fashion.

Mr. Yates discussed the Company's request for certain waivers of Commission regulations. The Company requests that it be exempt from any rules or regulations that would require it to keep financial records in conformance with the Uniform System of Accounts ("USOA"). Additionally, the Company seeks a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 & Supp. 2003) so that it will not be required to publish local exchange directories. The Company will contract with at least one incumbent local exchange carrier (or its directory publishing affiliate) for the inclusion of the Company's CLEC databases into the master customer database of the local exchange carrier.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Company is a privately held corporation duly organized and existing under the laws of the State of South Carolina and has been authorized to do business in the State of South Carolina by the Secretary of State.

2. The Company is a provider of local exchange telecommunications services and wishes to provide its services in South Carolina.

3. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 2003).

4. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2003).

5. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 2003).

6. The Commission finds that the services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2) (Supp. 2003).

7. The Commission finds that the provision of local exchange service by the Company "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2003).

8. Following execution of the Stipulation with the SCTC, the SCTC withdrew its opposition to the Application.

CONCLUSIONS OF LAW

1. The Commission concludes that the Company possesses the managerial, technical, and financial resources to provide the competitive local exchange and interexchange telecommunications services as described in the Application.

2. The Commission concludes that the Company's "provision of service will not adversely impact the availability of affordable local exchange service."

3. The Commission concludes that the Company will participate in the support of universally available telephone service at affordable rates to the extent that the Company may be required to do so by the Commission.

4. The Commission concludes that the Company will provide services that will meet the service standards of the Commission.

5. The Commission concludes that the provision of local exchange services by the Company will not otherwise adversely impact the public interest.

6. Based on the above findings of fact, the Commission determines that a statewide Certificate of Public Convenience and Necessity should be granted to the Company to provide competitive local exchange services. The terms of the Stipulation between the Company and SCTC are approved, and adopted as a part of this Order. Therefore, any proposal to provide local telecommunications services to rural service areas is subject to the terms of the Stipulation.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity is granted to the Company to provide resold or facilities-based intrastate local exchange telecommunications services including optional services. MetaNet's local exchange service offerings shall be provided in compliance with the Stipulation between MetaNet and the SCTC.

2. The terms of the Stipulation between the Company and the SCTC is approved and adopted as part of this Order. The Stipulation is attached as Order Exhibit 1. Any proposal to provide competitive local exchange telecommunications services to rural service areas is subject to the terms of the Stipulation.

3. MetaNet shall file, prior to offering local exchange services in South Carolina, its final local service tariff of its local service offerings conforming to all matters discussed with the Commission Staff and comporting with South Carolina law in all matters.

4. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies occurring during non-office hours. MetaNet shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall

use to file this authorized utility representative information can be found at the Commission's website at <http://www.psc.state.sc.us/reference/forms.asp>. This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

5. MetaNet shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. MetaNet shall be required to comply with Title 23, Chapter 47, South Carolina Code of Laws Ann. which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs MetaNet to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Contact with the appropriate authorities is to be made before providing voice or dial tone telephone service in South Carolina. Accompanying this Order is a memo from the State 911 Office at the Office of Research and Statistics of the South Carolina Budget and Control Board. This memo provides information about contacting county 911 coordinators. By this Order and prior to providing voice or dial tone services

within South Carolina, MetaNet is directed to contact the 911 coordinator in each county, as well as the 911 coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

7. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

8. MetaNet shall file financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipts reports will necessitate the filing of intrastate information. Therefore, MetaNet shall keep financial records on an intrastate basis for South Carolina in order to comply with the Commission's requirements of filing an annual report and a gross receipts report. The proper form for filing annual information for the annual report can be found on the Commission's website at <http://www.psc.state.sc.us/reference/forms.asp>. This form is entitled "Annual Report for Competitive Local Exchange Carriers." The Company shall file the annual report with the Commission by April 1st of each year.

Commission gross receipts forms are due to be filed with the Commission no later than August 31st of each year. The appropriate form for remitting information for gross receipts is entitled "Gross Receipts Form for Utility Companies" and may also be found on the Commission's website at <http://www.psc.state.sc.us/reference/forms.asp>.

Additionally, pursuant to the Commission's regulations, the Company shall file a "CLEC Service Quality Quarterly Report." The proper form for this report is found on the Commission's website at <http://www.psc.state.sc.us/reference/forms.asp>. The "CLEC

Service Quality Quarterly Reports” are required to be filed within 30 days of the end of each calendar year.

9. The Federal Communications Commission (“FCC”) in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (“TRS”). The Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers (“CLECs”) and incumbent local exchange carriers (“ILECs”) were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2001, and to translate 711 dialed calls to 1-800-735-2905. All Payphone Service Providers (“PSPs”) were instructed to modify their programmable phones to translate calls dialed as 711 to the assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 2, 2001. Additionally, telephone directories were required to be updated and bill inserts promoting 711 were also required. This Company must comply with the applicable mandates. For complete information on compliance with this FCC and Commission requirement, go to the Commission’s website at <http://www.psc.state.sc.us/reference/forms.asp>

10. For good cause shown, MetaNet is granted a waiver and is hereby authorized to keep its books and financial records in accordance with Generally Accepted Accounting Principles rather than the Uniform System of Accounts method.

11. For good cause shown, MetaNet is granted a waiver of the requirements that the Company publish and distribute a directory under 26 S.C. Code Ann. Regs. 103-631. MetaNet is ordered to contact the incumbent ILECs to ensure that the Company's customers are included in the applicable directory.

12. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice Chairman

(SEAL)